

HIGH-PRECISION CUSTOMER-BASED TARGETING BY INDIVIDUAL USAGE STATISTICS

ABSTRACT OF THE DISCLOSURE

A system for distributing limited numbers of promotional offers to individual
5 customers, the promotional offers being targeted to customers based on the customers'
individual probabilities of accepting the offers in such a way that each customer can
receive a limited number of offers that are estimated to be most likely to be acceptable by
the customer. Customer-Based targeting analyzes each customer's past purchasing
behavior relative to a master list of promotional offers made available to all customers.
10 From that master list Customer-Based targeting selects a preset limit of promotional offers
for each individual customer according to the likelihood that, given the opportunity to
select any offers of the master list, each customer would prefer those few offers selected
specifically for the customer. Various techniques are disclosed for providing an offer
acceptance probability profile tailored for individual customers for use in the
15 Customer-Based targeting technique. Product groupings and market segments are taken
into account. Empirical Bayes techniques are applied to the estimation of the offer
acceptance profile, and techniques suitable for handling sparse data are applied. Various
marketing strategies are incorporated into the system. A graphical technique is provided
for adjusting the offer acceptance profile that enables a user to override a system
20 computation and manually set the relative offer acceptance probabilities for an individual
user or class of users.